

EXPORT CARIBBEAN

A Guide to Doing Business in the Caribbean

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WHY THE CARIBBEAN?

At a time when U.S. dependence on trade has increased, and maintaining U.S. export competitiveness is a central U.S. objective, the Caribbean Basin's importance as a regional export market is rising. U.S. exports to the region have doubled over the last five years; with a total market size of 85 million people the Caribbean is the only region in the world where the United States has consistently maintained a trade surplus in recent years. In 1994 over \$12 billion of U.S. exports were absorbed by the Caribbean nations, making them the United States' seventh largest trading partner in the Western Hemisphere.

Given the expansiveness of the demand for U.S. products and services in the Caribbean, the geographic advantage of the United States to these growing markets, and the well-established preference for U.S. products among Caribbean buyers, this subregion offers attractive, accessible markets for U.S. new-to-export/new-to-market firms. Consequently, a concerted outreach effort is being launched by the U.S. and Foreign Commercial Service (Commercial Service) of the Department of Commerce, coordinated by the regional office based at American Embassy Santo Domingo, Dominican Republic, to enhance awareness and support U.S. firms interested in Caribbean commercial opportunities.

The Commercial Service of the Department of Commerce offers a worldwide network of trade support to U.S. companies, with Commercial Officers in over 70 countries throughout the world. A similar number of U.S.-based district and regional locations have trade specialists ready to provide U.S. exporters with export counseling and access to a variety of export programs and services. In addition, country desk officers at Department of Commerce headquarters and Regional Information Centers located throughout the United States track trade critical data and highlight new opportunities for trade and investment. In addition, a wealth of trade information on the Caribbean region is available through the Office of Latin America and the Caribbean fax retrieval system at (202) 482-4464. The Department's mission is clear and simple: to help identify export opportunities for U.S. firms in markets throughout the world and help them close the deal.

American Embassy Santo Domingo serves as a comprehensive clearing house for commercial information on the Caribbean. Supported by "Partnership Posts" throughout the region, a valuable array of business facilitation services are available to U.S. firms. The U.S. business facilitation services provided by each U.S. Embassy in the sub-region are listed on page two.

This Export Caribbean guide was developed to provide basic information on the growing markets in the Caribbean and encourage you to pursue the commercial opportunities with the support and assistance of the Commercial Service.

For more information or to discuss your company's commercial opportunities in the Caribbean, contact:

American Embassy Santo Domingo

Unit 5515

APO AA 34041

Tel: (809) 221-2171

Fax: (809) 688-4838



THE COMMERCIAL SERVICE, SANTO DOMINGO HAS THE TOOLS TO HELP YOUR COMPANY SUCCEED IN THE CARIBBEAN

The following business facilitation services are available from the Commercial Service staff at the American Embassy in Santo Domingo, Dominican Republic.

AGENT DISTRIBUTOR SERVICE

This service is useful to U.S. firms seeking representation in any part of the region covered. After a search is conducted for qualified representatives, a report listing firms that have expressed interest in the U.S. product/service is prepared.

GOLD KEY SERVICE

This service consists of a targeted survey of potential representatives or customers based on the client's specific requirements. It includes prearranged appointments with prospects, accompanied by a trade assistant (or translator when required).

CUSTOMIZED MARKET ANALYSIS

American firms seeking to sell a new-to-market product or service can obtain valuable commercial data from nine areas of commercial interest and inquiry: market potential, competitors, channels of distribution, prices of comparable products or services, factors which influence purchasers, methods of effective market exposure, impediments to selling the specific products or services, prospective representatives or buyers, and (if indicated) potential licensees or joint venture partners.

INTERNATIONAL COMPANY PROFILE

This report assists U.S. firms in determining whether a specific foreign firm is a suitable trading partner. The report includes factual data to help U.S. firms assess a firm's reliability, capability, management, business activities, product lines, financial condition, trading experience, market coverage, and business connections in the country.

BUSINESS COUNSELING

Consultation with a U.S. Embassy commercial representative is available to U.S. firms interested in doing business in the regions. They can obtain need-to-know data and information on how to do business in the local environment.

Please contact the Commercial Service in Santo Domingo for more information on these services and on fees charged.

THE CARIBBEAN COMMUNITY

CARICOM is the acronym for the Caribbean Community established in 1973 (replacing CARIFTA). Its primary mandate is to provide a framework for regional political and economic integration, adopting measures to make the region more competitive and increase access to new markets and trading blocs. One of its principal tenets is the common external tariff measures referred to several times in the text. While Caricom's goal is to reduce and stabilize overall tariff levels and their impact on trade both within and outside the Community, specific exceptions made by several countries and phase-ins permit anomalies in this effort and structure. While all countries outlined below except the Dominican Republic are members of Caricom, the Bahamas is not a member of the common market within the Community. The Dominican Republic is an official observer to Caricom.

The World Trade Organization (WTO) agreement has many detailed provisions on trade-related intellectual property rights and provides for bringing varying concepts of patent, trademark, and copyright protection and enforcement measures into closer alignment by the year 2000. The Berne Convention on copyright and Paris Convention on patents and trademarks established frameworks for protection of these forms of intellectual property rights. Membership in WTO is seen as a major step toward providing commonality of expectations and actual treatment on a significant range of intellectual property rights among all member nations.

CARIBBEAN BASIN AT A GLANCE COUNTRY PROFILES

ANTIGUA AND BARBUDA

THE COUNTRY

Population: 66,500

Population Growth Rate: -0.4 percent

Religions: Anglican and Roman Catholic

Government system: Parliamentary democracy modeled in part after the Westminster system with two houses, each of 17 seats—one elected by universal suffrage and the other appointed by the governor general (the representative of the monarchy), mainly on the advice of the prime minister. Fully independent from the United Kingdom since 1981, Antigua and Barbuda remains a member of the British Commonwealth.

Language: English.

Workweek: Commercial: Monday through Saturday 8:00 a.m. to 4:00 p.m. (closed on Thursday afternoons).
Government: 8:00 a.m. to 4:30 p.m. Monday through Thursday, 8:00 a.m. to 3:00 p.m. Friday.

BEST EXPORT PROSPECTS

Hotel and restaurant equipment; electrical power systems and related machinery; paper and paperboard; aircraft and boats, and spare parts and accessories for both; construction and equipment materials, including plaster, cement, iron and wood products; equipment and related parts for transport; toys; plastics; computer equipment, and consumer goods.

For agricultural products: Juice concentrates, wheat, other grains and cereals, chicken parts, red meats, all forms of vegetables, animal fats and oils (for soap and other uses), food preparation materials, and wine and beer.

MARKETING U.S. PRODUCTS

U.S. exports to the two island country, Antigua and Barbuda, are marketed locally through major importers, wholesalers, distributors and sales agents. Large end-user firms, particularly in tourism, aircraft, banking, transport, and utility support services sectors will import directly from U.S. suppliers. Only a few U.S. suppliers have established direct presence in the market but such presence is found in greater numbers in the manufacturing and financial services sectors.

Aside from direct sales, establishing local representation through a recognized local outlet is recommended. Franchising ventures have been moderately successful in certain service-oriented sectors such as hotels and duty-free shopping areas. Advertising is primarily done through radio, television (one station locally), and the print media.

TRADE BARRIERS

There are no perceived barriers for exporting to Antigua and Barbuda, although traditionally the United States has not had a dominant share in more than a few market sectors. The government is committed to broadening the base of its economy and to building the infrastructure necessary to support tourism, its dominant business and major revenue earner. These policies have led it to disfavor use of trade barriers to restrain commerce directed towards improving that infrastructure and providing a more balanced economy. Antigua and Barbuda has phased in the CARICOM Common External Tariff system, which ranges from 5 to 35 percent on all but a few excepted products effective September 30, 1995.

Items sold in Antigua and Barbuda should conform to international quality specifications. Antigua and Barbuda is a member of World Trade Organization, but is not a signatory to the Berne and Paris Conventions. Its trademark law under its British Commonwealth status, however, provide for legal recognition and enforcement of forms of intellectual property rights. Nevertheless, local counsel should be sought to ensure full protection of property intended for use or disclosure.

THE ECONOMY

The economy grew at 3.5 percent in both 1993 and 1994. A potent hurricane in September 1995 directly affected even larger levels of growth expected for 1995. Nevertheless, the committed policies of the government suggest that tourism, financial services, and selected manufacturing sectors will likely see some expansion and bring about positive growth. Moreover, there is some movement towards privatization of unproductive services and sectors now in government hands which may yield some further expansion of private sector activities and purchases. While the country's trade balance is chronically in deficit, its current account deficit has diminished successively in the last few years—a trend the government is committed to continuing. Costs and economic dislocation caused by hurricane damage should present only short-term setbacks to the trend of tighter fiscal management.

Key Economic Indicators	1993	1994*
GDP**	456.9	494.5
GDP Growth Rate	3.5%	3.5%
GDP Per Capita	7,084	7,435
Inflation	3%	3.5%
Unemployment	5%	5%
Exports** (2)	50.9	40.9
Imports** (2)	425.9	443.8
Imports from the U.S. (1)**	73.01	90

**1994 figures are estimates.*

***In U.S. millions.*

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

Relations between Antigua and Barbuda and the United States are good. The closure of a U.S. naval support facility in the twin island country in 1996 should not affect the continuity of good relations. There are no major political issues affecting the business climate other than the debate over measures taken to ensure fiscal responsibility while providing the necessary infrastructure to support the major revenue sources of the government and the national budget. The Labor Party, which has held power since independence, is in favor of foreign investment. The next election is due by March 1999.

INVESTMENT CLIMATE

Antigua and Barbuda welcomes foreign investment. Legislation to establish a formal tax-free zone was enacted at the beginning of 1995. Antigua and Barbuda already grants significant tax concessions for the importation of goods used in manufacturing. Products such as garments, electronics, furniture, and galvanized sheeting are currently manufactured or assembled in industrial parks under tax incentive programs. Antigua and Barbuda has taken active measures to encourage the establishment of offshore financial services and operations, which in turn has led to proactive programs for exchange convertibility and repatriation of capital and profits for approved enterprises.

CONTACT

The Economic Section
U.S. Embassy Bridgetown
FPO AA 34055
Tel: (809) 436-4950
Fax: (809) 429-5246

The area code for contact point changes to (246) on July 1, 1996

BAHAMAS

THE COUNTRY

Population: 273,055

Population Growth Rate: 1.57 percent

Religions: Baptist 35 percent, Roman Catholic 20 percent, Anglican 15 percent, Evangelical Protestants 15 percent, Methodist 5 percent, Church of God 5 percent, miscellaneous 5 percent.

Government system: Multiparty parliamentary democracy.

Language: English.

Workweek: Monday through Friday, 9:00 a.m. to 5:00 p.m. Shops are generally open all day Saturday and Sunday.

BEST EXPORT PROSPECTS

Consumer products, automobiles and light trucks/vans, medical supplies, hotel and restaurant equipment, computers and peripherals, and automotive parts and service equipment.

For agricultural products: Fruits and vegetables, livestock, animal and vegetable oils and fats.

MARKETING U.S. PRODUCTS

Goods intended for sale to the general public are normally purchased by local wholesalers, several of whom specialize in particular lines. The usual business practice is for the wholesalers to make purchases directly from their counterparts in Florida. Most wholesalers and some retailers, however, are willing to make direct purchase arrangements. In some cases, Bahamian retail outlets or wholesalers will enter exclusive distributorship arrangements with foreign firms. Companies seeking to establish a representative office in the Bahamas must first obtain a business license. Advertising can be purchased on local radio and television stations.

TRADE BARRIERS

There are no barriers to the import of U.S. goods, although substantial duties apply to most imports (generally 35 percent). Deviations from the average duty rate will generally reflect support of an import substitution program, with tariffs on items also produced locally at rates designed to provide some protection to local industries.

The Ministry of Agriculture occasionally issues temporary bans on the import of certain agricultural products when it determines there is sufficient supply of locally grown items. There is a negative list of goods which cannot be imported into the Bahamas. For an updated list, contact the economic/commercial officer at American Embassy Nassau.

The Bahamas follows U.S. standards and requirements, and does not have labeling regulations for products entering the country.

THE ECONOMY

The Bahamian economy will remain dependent upon tourism and financial services (primarily the former) for the foreseeable future. Although per capita income is among the highest in the region, economic growth will likely remain slow as the Bahamas tries to recover from the decline in tourism expenditures it suffered in the late 1980's and early 1990's.

Key Economic Indicators	1994	1995*
GDP**	3,065.0	3,408.0
GDP Growth Rate	3.0%	3.0%
GDP per capita	11,610.0	12,483.0
Inflation	1.3%	2.3%
Unemployment	13.3	N/A
Exports** (2)	223.8	254
Imports** (2)	1,081.7	1,130
Imports from the U.S.**	685.4	678.3

*1994 figures are estimates.

**In U.S. millions.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

The Bahamas is a constitutional multiparty parliamentary democracy and a member of the Commonwealth of Nations. Both of its major political parties have enjoyed good relations with the business community, and no serious political movement in Bahamian history has ever advocated the nationalization of foreign property. There is no Bahamian history of political violence or instability. U.S.-Bahamian relations are excellent. The next election is constitutionally due by September 1997.

INVESTMENT CLIMATE

The Bahamian government actively encourages foreign investment in certain sectors of the economy, particularly in tourism, banking, agriculture, and manufacturing. Certain businesses, however, are reserved exclusively for Bahamians. These reserved businesses include restaurants (except gourmet and ethnic); all but very large-scale construction; wholesale and retail distribution; commission agents engaged in the import and export trade; real estate agencies; domestic public transportation by land, sea, and air; newspaper and magazine publications; advertising and public relations; interior decorating; cinemas, theaters, and nightclubs; security services; handicrafts; service establishments (hairstressing, automotive and appliance repairs); guest houses and hotels of 25 rooms or less; and farming up to 100 acres. In addition, the Bahamian government has reserved certain categories of businesses for joint venture operations which include majority Bahamian ownership.

CONTACT

U.S. Embassy Nassau
Economic-Commercial Section
P.O. Box 9009
Miami, FL 33159
Tel: (809) 323-7180
Fax: (809) 328-3495

BARBADOS

THE COUNTRY

Population: 264,200

Population Growth Rate: 0.2 percent

Religions: 70 percent Anglican. Methodists, Moravians, and Roman Catholics represent the majority of the remainder. Hindu, Moslem, and Jewish congregations are also present in Barbados.

Government system: Barbados is a parliamentary democracy. The present government was elected in September 1994 for a five-year term. Barbados became independent from the United Kingdom on November 30, 1966.

Language: English.

Workweek: Monday through Friday, 8:00 a.m. to 4:30 p.m.

BEST EXPORT PROSPECTS

Food processing and packaging equipment, hotel and restaurant equipment, household appliances, medical equipment, personal computers and peripheral equipment and accessories, personal and home security-related equipment, processed foods (all types), sportswear and sports equipment, telecommunications equipment, water and energy conservation services and equipment, and consumer goods.

For agricultural products: hatching chicks, hay, and stone and pitted fruits.

MARKETING U.S. PRODUCTS

Most imports are through wholesalers, although some retailers import products directly from manufacturers. Distribution agreements are common. U.S. manufacturers often grant country-wide or regional exclusive distribution agreements. Although the use of an agent or distributor is not required, it is often helpful to have a local point of contact if the U.S. exporter wishes to market a product or service on a regular basis.

Direct marketing is not common in Barbados. Most businesses advertise in newspapers or on radio.

TRADE BARRIERS

Import licenses are necessary for a wide variety of goods, whether the goods are imported from CARICOM or extra-regional sources; juice drinks are the only item which may only be imported from CARICOM countries. Some goods are subject to a surtax, which may be as high as 100 percent of the good's value. Imported goods can be subject to import tariffs (which range from zero to 45 percent), consumption taxes of up to 89 percent, surcharges, a surtax, and a stamp duty. A value-added tax is expected to be introduced in 1996, and is expected to eliminate all of the import charges except the import tariff and an excise tax on certain luxury goods.

Barbados is member of the World Trade Organization and signatory to the Berne and Paris Conventions on intellectual property rights. Its legal system provides for adequate enforcement of IPR and remedies against intellectual property infringements.

THE ECONOMY

The Barbadian economy experienced its first improvement in output in three years in 1993 when it registered a 0.8 percent real rate of growth after three consecutive years of decline. The government attributes this improved performance to improvements in the tourism sector. The outlook for the Barbadian economy depends on the forecast for tourism, and on whether the government and the private sector can compete in the changing global economy to bring jobs and growth to the country.

Key Economic Indicators	1994	1995 (4)
GDP **	1,462.0	N/A
GDP Growth Rate	4.0%	1.3%
GDP per capita	6,216.0	N/A
Inflation	1.1%	N/A
Unemployment	21.9%	21.1%
Exports** (2)	186.3	124.6
Imports** (2)	614.7	379.8
Imports from the U.S.**	239.8	142.0

***In U.S. millions.*

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

(4) All 1995 figures are calculated for the first six months of the calendar year only.

POLITICAL ENVIRONMENT

Barbados has a cordial, long-standing relationship with the United States. Its foreign policy goals coincide with those of the United States. Barbadian attitudes toward the United States and toward American business are also generally favorable. Barbados, a parliamentary democracy, is a member of the British Commonwealth. The British monarch is the head of state of Barbados and is represented by a governor general. Executive authority is vested in the prime minister and cabinet, which is collectively responsible to Parliament. The normal term of office is five years, although the ruling party may call elections at any time to seek a new mandate. The next election is due by September 1999. Political violence is unknown in Barbados.

INVESTMENT CLIMATE

Foreign direct investment in Barbados has taken place in all sectors of the economy; foreigners can own property freely. Foreigners must register their investment (whether real or intangible) with the Central Bank of Barbados so that profits, dividends, and capital can be repatriated. Incentives are available for both national and foreign investors equally; investors can qualify for a 10-year tax holiday by satisfying value-added or export criteria. Barbados has signed a bilateral tax treaty with the United States.

Foreign investment is welcome in areas which do not compete with local investment. Franchises must be approved by the minister responsible for the industry, who will evaluate the franchise's potential competitive impact on local business. Food service franchises have not been approved for several years.

CONTACT

Economic Section
U.S. Embassy Bridgetown
FPO AA 34055
Tel: (809) 436-4950
Fax: (809) 429-5246

The area code for Barbados changes to (246) on July 1, 1996.

BELIZE

THE COUNTRY

Population: 209,000

Population Growth Rate: 1.7 percent

Religions: Catholic, Anglican, Methodist, other Protestant, Muslim, Hindu, and Buddhist.

Government system: A parliamentary democracy on the Westminster model.

Languages: English (official), Creole, Spanish, Garifuna, and Mayan. Most Belizeans speak Spanish in addition to English.

Workweek: Monday through Friday, 8:00 a.m. to 12:00 noon; 1:00 p.m. to 5:00 p.m.

BEST EXPORT PROSPECTS

Food processing and packaging equipment, and consumer goods.

MARKETING U.S. PRODUCTS

The best way for American exporters to penetrate the Belizean market is to seek local importers and wholesalers who would generally act as their agents/distributors in Belize. Direct marketing in Belize by U.S. companies is almost nonexistent. Normally, the representative of the American firm in Belize performs all the local marketing functions. It is advisable to obtain legal assistance when planning to do business in Belize. Advertising is done mainly through radio, newspapers, magazines, and television.

TRADE BARRIERS

In order to protect certain domestic industries, there is a list of items which require import licenses. This list presently includes, among others, sugar, citrus, flour, meats, jams/jellies, pepper sauce, pasta, matches, and peanut butter. Legislation dealing with labeling, marking requirements, and standards is still in the drafting stage.

Belize is a member of the World Trade Organization, but its status under other conventions is provisional at best. Belizean statutes governing several forms of intellectual property rights (IPR) are based on common law principles inherited from the United Kingdom, but need updating particularly in the area of copyrights. Nevertheless, enforcement of IPR and recourse against infringements is available. Local counsel should be consulted to provide the best means of IPR protection.

THE ECONOMY

Belize has an open, free market economy based primarily on agriculture and services. Cane sugar is the number one foreign exchange earner, accounting for 31.6 percent of total domestic exports in 1994, followed by tourism, bananas, garments, citrus, and marine products. The rate of economic growth for 1995 will be largely dependent upon the balance-of-payments situation, which depends upon world commodity prices, continued growth in the global economy, and preferential trading agreement such as the Caribbean Basin Initiative and the Lome Convention.

Key Economic Indicators	1993	1994*
GDP**	449	472.2
GDP Growth Rate	3.6%	1.6%
GDP per capita	2,195.0	2,238.0
Inflation	41.2%	40.1%
Unemployment	9.8%	11.1%
Exports** (2)	118.9	127.5
Imports** (2)	280.9	259.9
Imports from the U.S.**	158.8	138.1

**1994 figures are estimates.*

***In U.S. millions.*

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

Belize is a parliamentary democracy on the Westminster model and is a member of the British Commonwealth. The United States and Belize traditionally have enjoyed close and cordial relations. There are no political issues that might affect the local business climate. The current majority coalition won in an election on June 30, 1993. The next general election is due by September 1998.

INVESTMENT CLIMATE

The Belizean government welcomes foreign investment and normally encourages projects which result in increased production, domestic income, employment opportunities, and the transfer of technology and skills. Foreign investors are eligible for the same development concessions that are available to local investors. There are certain areas that are not open to foreign private investment, including merchandising (distributive trades), fishing inside the barrier reef, sugar cane cultivation, internal transportation, and restaurants and bars. Belize has legislation that enables companies to operate within Special and General Export Processing Zones.

CONTACT

Economic and Commercial Officer
American Embassy Belize
Corner Gabourel Lane and Hutson St.
Belize City, Belize
Tel: (501) (2) 77161
Fax: (501) (2) 35321

DOMINICA

THE COUNTRY

Population: 73,500

Population Growth Rate: 1.3 percent

Religions: Christian: Roman Catholic and Protestant groups.

Government system: Dominica is a republic with an executive branch composed of a president and a prime minister. Since 1978, Dominica has been an independent republic within the British Commonwealth.

Languages: English and some French patois.

Workweek: Monday through Friday, 8:00 a.m. to 5:00 p.m. Commercial establishments open Saturday.

BEST EXPORT PROSPECTS

Clothing and related apparel, wood products for construction and furniture, machinery for development and exploration of geothermal power, automobiles and parts, inorganic and organic chemicals, electrical power systems and machinery, plastics and consumer goods, tourism facility equipment, paperboard products, manufacturing and processing equipment for light industry base, environmental technology products and services.

For agricultural products: chicken, red meats, and animal fats (for use in soap production).

MARKETING U.S. PRODUCTS

Goods intended for sale to the general public are normally purchased by local wholesalers for further distribution. There are no laws which restrict or modify terms and conditions as agreed between suppliers and Dominican purchasers, whether they be on the wholesale or retail level. Radio and print media are the primary forms of advertising.

TRADE BARRIERS

Dominica has subscribed to CARICOM Common External Tariff provisions. Duties generally range from 5 to 35 percent, with the near future promising further modifications downward. In the interest of diversification and expansion of its industrial and service base, significant incentives are offered to relieve any form of duties and other barriers to the importation of equipment, materials, and machinery used in approved industrial processes and service industries. Other than certain locally supplied agricultural products, no significant negative list exists for product importation, and generally accepted standards are applied to imported products.

Dominica is a member of the World Trade Organization, but is not a signatory to other major conventions on intellectual property rights (IPR). Dominica's tradition of common law principles and strong legal system provide for recognition and enforcement of many forms of IPR, although such statutes need updating. Reference should be made to local counsel to ensure proper protection under statutory law and adequate safeguarding of IPR in the event of any significant marketing or disclosure of intellectual property within Dominica.

THE ECONOMY

Uncertainties relating to the European Union banana regime cloud an otherwise relatively promising growth rate. Dominica has taken major steps to diversify its agricultural base, and its efforts to develop geothermal power sources for commercial use are noteworthy. Gains in tourism, with a particular emphasis on "eco-sensitive" programs and cruise ship growth, along with construction, have fueled moderate growth despite declines in some manufacturing areas. The government hopes that light industry (including, among others, apparel assembly), soap manufacturing, agricultural diversification, and continued expansion of tourism—all supported by extensive local training programs—will provide sustainable growth.

Key Economic Indicators	1993	1994*
GDP**	171.17	177.91
GDP Growth Rate	1.8%	1.84%
GDP per capita	2,410	2,506
Inflation	1.6%	1.6%
Unemployment	15%	15%
Exports** (2)	48.7	43.78
Imports ** (2)	94.85	96.83
Imports from the U.S.(1)**	27.40	25.64

*1994 figures are estimates.

**In U.S. millions.

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

The United States has a close and cooperative relationship with Dominica. Dominica is a republic with an executive branch consisting of both a president and a prime minister. Executive authority is vested in the president, but in most matters the president heeds the advice of the cabinet (composed of elected members of the House of Assembly), and acts as a constitutional head of state. There are several active parties, and none shows any antagonism towards the United States. The government restated its policy of divestment of state enterprises in 1993. The legal system is based on English common law and is independent of the political process and system. The present majority party was elected in June 1995 and the next election is due by June 2000.

INVESTMENT CLIMATE

Negative growth in the traditional agricultural products sector, because of drought and then storm damage in 1995 helped spur the Dominican government to develop and promote incentives for investing in the development of light manufacturing, tourism, financial services, and nontraditional agricultural products.

Significant tax and related incentives exist for approved projects, and export processing zones are being planned near the airports. Energy sources are relatively plentiful and provide an incentive of reliability in manufacturing undertakings. A reliable legal system helps create an environment of stability in which to consider appropriate investment. The policies of encouraging divestment of government-owned enterprises and reduction of a negative balance-of-payments history have encouraged a positive attitude towards private investment in nearly all sectors of the economy.

CONTACT

The Economic Section
assy Bridgetown
AA 34055
(09) 436 4950
(809) 429 5246

oint changes to (246) on July 1, 1996.

DOMINICAN REPUBLIC

THE COUNTRY

Population: 7.5 million

Population Growth Rate: 2.5 percent

Religion: Catholic

Government system: A representative democracy with elections every four years.

Language: Spanish. English is widely spoken in the business community.

Workweek: Government: Monday through Friday, 7:30 a.m. to 2:30 p.m.

Private sector: Monday through Friday, 8:00 a.m. to 5:00 p.m.

BEST EXPORT PROSPECTS

Telecommunication equipment, automobiles and light trucks/vans, air conditioner parts and refrigerators, medical equipment, drugs and pharmaceutical, hotel and restaurant equipment, household consumer goods, electrical power systems, automotive parts and service equipment, and textile machinery.

For agricultural and consumer products: Wheat, soybean meal, corn, snack foods, poultry meat, red meats, dairy products, fresh fruits, processed fruit and vegetables, wine and beer.

Franchising is a recent phenomenon in the Dominican Republic. Many American food service franchises are in operation and expanding.

MARKETING U.S. PRODUCTS

American products have an excellent reputation in the Dominican Republic for high quality. While some direct marketing efforts have been notably successful, the most common way for U.S. exporters to penetrate the market is through importers and wholesalers who also own retail outlets. Before appointing an agent or distributor in the Dominican Republic, U.S. firms should seek legal counsel.

Most businesses use the major local newspapers, television, and radio to advertise.

TRADE BARRIERS

Import licenses are required for pharmaceutical products and agro-chemicals. "No objection" and other types of permits are often required to import agricultural commodities.

Tariffs on most products fall within a 5 to 35 percent range. In addition, a 5 to 80 percent selective consumption tax is assessed on certain nonessential imports. Customs duties are a major source of government revenue. All imports require a consular invoice from a Dominican overseas consulate.

While the Dominican Republic is a member of the World Trade Organization and a signatory of both the Berne Convention on copyrights and the Paris Convention on patents and trademarks, protection of intellectual property rights is deficient. Even where the law provides protection, rights are inadequately enforced. The Dominican Republic has recently taken steps to help remedy shortcomings, but local counsel should be consulted when embarking on a program of significant use or disclosure of intellectual property.

The Dominican Republic follows U.S. standards and requirements, and does not have labeling regulations for products entering the country.

THE ECONOMY

The economy grew 2.5 percent during 1994 and an estimated 3.5 percent in 1995. This growth stems from tourism, free trade zones, and minerals export sectors. Nearly two-thirds of the Dominican Republic's merchandise trade is with the United States. Tourism, which is one of the major revenue earners, is mainly from Europe. The outlook for the Dominican economy, therefore, is related closely to the U.S. and European economies.

Key Economic Indicators	1994	1995*
GDP **	9,172	11,533
GDP Growth Rate	2.5%	3.5%
GDP per capita	1,206	1,478
Inflation	14%	9.5%
Unemployment	30%	30%
Exports** (2)	644	837.7
Imports** (2)	2,275.8	2,867.5
Imports from the U.S. (1)**	2,799.5	3,100

**1994 figures are estimates.*

***In U.S. millions.*

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

The Dominican Republic is the largest democracy in the Caribbean. It has a long-standing and close relationship with the United States, its principal trading partner and largest market. Dominicans are largely pro United States. There has been no political violence directed specifically at foreign firms in the past few years. Presidential elections are scheduled for May 1996.

INVESTMENT CLIMATE

Foreign investment in the Dominican Republic falls into two main categories: free trade zone investment and non-zone investment.

Free Trade Zone Investment: There is a 100 percent exemption on all kind of taxes, duties, and charges affecting production and trade activities in the zones. These incentives are for 20 years for zones located near the Dominican Republic-Haiti border and 15 years for zones located in the rest of the country.

Non-zone Investment: The government welcomes foreign investors and has enacted legislation to encourage and facilitate investment. However, there are areas where direct foreign investment is restricted or is permitted only under joint-venture arrangements. A 29 percent limit on foreign investment is in effect for the forestry, media, and domestic transportation sectors. The limit on foreign investment in the fishing, agriculture, poultry and cattle, commercial and investment banking and insurance sectors is 49 percent.

CONTACT

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GRENADA

THE COUNTRY

Population: 96,000

Population Growth Rate: .06 percent

Religions: Roman Catholic and Anglican.

Government system: A parliamentary democracy modeled after the Westminster system, with elections to be held no less than every five years.

Languages: English.

Workweek: Monday through Friday 8:00 a.m. to 4:00 p.m. Private sector operations are also open half day on Saturday.

BEST EXPORT PROSPECTS

Construction equipment and materials for tourism facilities and related infrastructure, including port facilities, food processing equipment, hotel and restaurant equipment, manufacturing machinery and equipment, household consumer goods and electrical power systems and machinery. Wood products and woodworking machinery, and pharmaceutical.

For agricultural products: Wheat, soybean meal, corn, snack foods, poultry and red meats.

Franchising offers limited but potentially successful opportunities, particularly in connection with the continued expansion of tourism both in hotel space and cruise ship services.

MARKETING U.S. PRODUCTS

Recognition and marketability of American products have grown steadily since the political troubles of the early 1980s. Direct marketing efforts (by subsidiaries or to end-users) have been successfully undertaken by some companies, but the size of the market will generally dictate distribution through established retailers in Grenada. Distribution outlets have increased over the last several years.

Most businesses in Grenada use print media, radio, and television to advertise their products and services.

TRADE BARRIERS

Tariffs on entering products are controlled by Grenada's agreement to CARICOM Common External Tariffs provisions under which Grenada has set a maximum of 35 percent on nonagricultural products, with a goal of reducing this maximum to 20 percent by 1998.

Grenada generally follows U.S. or internationally accepted standards and requirements on products entering the country.

Grenada has not yet become a member of the World Trade Organization or acceded to the Paris or Berne Conventions. Its legal system is, however, based on common law principles and provides forms of protection for intellectual property rights and recourse in cases of infringement. Nevertheless, as there must be reliance on specific statutes and knowledge of the legal system, local counsel should be sought before significant use or disclosure of intellectual property.

THE ECONOMY

Grenada's economy grew 2.32 percent during 1994 after suffering a decline in 1993. The latter was in turn a reversal from several years of relatively strong improvement of gross domestic product. The growth in 1994 arose from strong expansion of the tourism sector, as well as increases in construction, mining, and quarrying and export of nontraditional exotic fruits and vegetables. Grenada is one of the two largest nutmeg producers in the world and strong in virtually all spice categories, but is taking steps to modify its reliance on traditional agricultural products, particularly through the encouragement of manufacturing based on agro-industry. The latter includes a pilot plant project producing oleoresin and trymyricitin.

Continued expansion of the economy is dependent in large part on the continued efforts of divestment of government-owned operations, diversification of its agricultural base, growth in light manufacturing, and continued investment in tourism and related infrastructure.

Key Economic Indicators	1994	1995*
GDP**	187.2	192.50
GDP Growth Rate	2.32%	3%
GDP per capita	2,240	2,300
Inflation	2.6%	3.0%
Unemployment	15%	15%
Export** (2)	23.9	26.9
Imports** (2)	129.2	140.5
Imports from the U.S.(1)**	23.9	26.5

**1994 figures are estimates.*

***In U.S. millions.*

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for; and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

Since stabilization of the political system in 1983, constitutional elections have been held consistently and without violence. A member of the British Commonwealth, Grenada has excellent relations with the United States. An election was held in June 1995 and a new government was formed for the next five years, 1995-2000.

INVESTMENT CLIMATE

While Grenada does not have any free trade zones, government concessions, including significant tax incentives for the manufacturing, tourism, and other target industry development are generous. Through trade agreements with the United States, Grenada is eligible for low interest loans under Puerto Rico's 936/Caribbean Development Program. The recently elected government has identified business development through diversification, with significant job creation as a major priority of its administration.

Grenada is a signatory to a variety of trade and investment agreements with the United States, CARICOM members, and the European Union.

CONTACT

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The area code for contact point changes to (246) on July 1, 1996.

GUYANA

THE COUNTRY

Population: 768,000

Population Growth Rate: 1.6 percent

Religions: Christian 50 percent, Hindu 33 percent, Muslim 9 percent, others 8 percent

Government system: Parliamentary democracy. Independent since May 26, 1966.

Languages: English (official and business). Other languages spoken include Guyanese Creole and several Amerindian dialects.

Workweek: Government and private sector Monday through Friday from 8:00 a.m. to 4:00 p.m.
The private sector works on Saturday until 12:30 p.m..

BEST EXPORT PROSPECTS

Architectural, construction and engineering services, agricultural machinery and equipment, mining industry equipment, forestry and woodworking machinery, and electrical power systems.

For agricultural products: wheat.

MARKETING U.S. PRODUCTS

Franchising and direct marketing are not widely used sales channels in Guyana. Most U.S. firms opt to use a local agent or distributor. Most advertising is done in local newspapers and on local radio and television.

TRADE BARRIERS

Guyana's tariff system is based on the Customs Cooperation Council Nomenclature. The tariff schedule reflects the Common External Tariff of CARICOM. There are some specific duties, most of which are levied on an ad valorem basis. In addition, most imports are subject to a consumption tax which is determined on a product specific basis. Customs valuation is based on invoice purchase price. Importers must provide customs with one original and two copies of the commercial invoice and an original and one copy of the bill of lading.

There is limited use of import licenses for certain categories of goods. Labeling, marketing, and other customary consumer awareness requirements are extremely limited in Guyana.

THE ECONOMY

Guyana is now into its fifth consecutive year of economic growth of 6 percent a year or better. GDP growth for 1995 is projected at 6.3 percent. This figure assumes continued strong performance in the rice, sugar and gold sectors together with increased activity in housing and construction. It also takes into account growth expected from public investment and donor resources.

While it is a member of the World Trade Organization and a signatory to the Paris Convention on intellectual property, Guyana has antiquated statutes governing the protection of intellectual property rights, and enforcement of the statutes remains weak. The government has stated its intention to negotiate and conclude an IPR agreement with the United States.

Key Economic Indicators	1994	1995*
GDP**	456.4	485.1
GDP Growth Rate	8.5%	6.3%
GDP per capita	595.0	632.0
Inflation	16.1%	9.0%
Unemployment	12.0%	12.0%
Exports** (2)	444.5	510
Imports** (2)	504.0	524
Imports from the U.S.*	109.7	122

**1994 figures are estimates.*

***In U.S. millions.*

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

Guyana enjoys excellent relations with the United States. Democratic elections are held every five years. Guyana is a racially diverse and mixed society where political affiliation is largely (although not entirely) determined by ethnic background. The two major political parties support foreign private investment and believe the majority of economic activity should be in private hands. There have been no recent incidents of violence directed toward foreigners or American-owned businesses. The last general election was held in October 1992, with the next one due by 1997.

INVESTMENT CLIMATE

Guyana welcomes and seeks foreign investment. However, after years of a state-dominated economy, the mechanisms for private investment, domestic or foreign, are still evolving. Much crucial legislation, including laws pertaining to resource use, mining, environmental protection, the formation of private companies, and capital markets, is outdated and is currently being revised. While there is no "screening" of investment, the centralized process of decision-making and its lack of transparency can result in delays and frustration for foreign investors. Visa, residence, and work permit requirements do not impose undue burdens on foreign investors. There are no foreign trade zones or free ports in Guyana.

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HAITI

THE COUNTRY

Population: 6.8 million

Population Growth Rate: 1.9 percent

Religions: Christian: Roman Catholic (80 percent), Protestant (20 percent)

Government system: Presidential and parliamentary democracy.

Languages: French and Creole. English is widely spoken in the business community.

Workweek: Business: Monday through Friday 8:00 a.m. to 5:00 p.m.

Federal Government: Monday through Friday 8:00 a.m. to 2:00 p.m.

BEST EXPORT PROSPECTS

The embargo placed on Haiti from October 1991 through September 1994 stifled trade. With the restoration of the constitutional government also came opportunities for U.S. business throughout Haiti, including: rebuilding and modernizing Haiti's infrastructure; export assembly operations; agriculture niche markets; and in the medium to long term, tourism. These opportunities extend to virtually every type of product and service. Some of the most obvious needs are in the infrastructure area: waste disposal, transportation, energy, and telecommunications.

MARKETING U.S. PRODUCTS

Efficient distribution channels exist for U.S. goods to enter the Haitian marketplace. In accordance with the Haitian Commercial Code, a number of international firms, including major U.S. manufacturers, have official agents and/or representatives in Haiti. American firms that are looking to penetrate the Haitian market should seriously consider using a local advertising or public relations firm. Additional distribution and sales channels include franchising, licensing, wholesaling and retailing. Most local representatives of foreign firms are located in Port-au-Prince and distribute products to the main provincial cities. Many firms do business in Haiti through an agent, and agency relationships are subject to Haitian law. The two parties are free to negotiate a contractual agreement, with the agents usually assigned specific tasks and duties. Agents are almost always compensated on a commission basis, as opposed to a salary system or other compensation packages. Arrangements used between the parties are at their own discretion and do not have to be supervised or approved by the Haitian government.

TRADE BARRIERS

Licenses are no longer required for imports, with the exception of petroleum products whose import is controlled by the government. Import tariffs have been lowered from a range of zero to 50 percent to zero to 15 percent. In addition, all imports are subject to consular fees and to administrative costs. There are no labeling requirements for products entering Haiti. Import of weapons, waste, food, and agricultural products must have the approval of the government. The list of prohibited products is available at the Ministry of Commerce and Industry.

Haiti, while a signatory to most conventions on intellectual property rights, is not yet a member of the World Trade Organization. Its law and constitution provide for intellectual property protection on many fronts, particularly if registered with applicable ministries. Nevertheless, poor enforcement and a weak judicial system have significantly eroded the protection offered by legislation and conventions. It is expected that Haiti will make efforts to improve enforcement and remedies as it attracts large-scale marketing and investment.

THE ECONOMY

The Haitian economy's downward trend, evident since the 1980s, was accentuated in the aftermath of a military coup in 1991 and the subsequent imposition of a trade embargo and suspension of most external aid for three years. From 1980 to 1991, real gross domestic product per capita fell by approximately two percent each year. Haiti has the lowest per capita income in the Western Hemisphere and is characterized by weak institutions and infrastructure, macro-economic imbalances and widespread poverty.

The Haitian economy achieved 2.7 percent GDP growth in fiscal year 1994/95, predicated on an increase in public sector construction and a rebound in agricultural and manufacturing production. The government's macroeconomic stabilization program targets a sharp reduction in inflation (on an average annual basis) from 36 percent in 1994 to at most 15 percent in 1995 (although fiscal year 1995 inflation is expected to be 24 percent). GDP growth is projected to climb to 6 percent by fiscal year 1996/97, a rate the government believes it can sustain for several years thereafter. Projections have been made that inflation will continue to fall to 8 percent by 1996/97, and stabilizing at 5 percent by fiscal year 1997/98.

Key Economic Indicators	1994	1995
GDP**	1,570	1,818.2 (USD @ 16.5)
GDP Growth Rate	-10.6%	2.7%
GDP per capita	260	259
Inflation	52.1%	24.0%
Unemployment	80%	80%
Exports** (1)	57.4	84.5
Imports** (1)	171.5	620.1
Imports from the U.S.**	140.0	560.0

***In U.S. millions.*

(1) Haitian trade data is undervalued due to significant amounts of unregistered trade and accounting methods for assembly operations.

POLITICAL ENVIRONMENT

Haiti's political relationship with the United States is considered excellent. The U.S. government is helping to attract business and explore business opportunities with Haiti to help rebuild the country's economy. A new, elected government took office on February 7, 1996. The president, who is elected for a five-year term, chooses a prime minister to form a government. The Parliament consists of two houses, the House of Deputies and a Senate. The Deputies are elected for four-year terms, while Senate members are elected for six-year terms.

INVESTMENT CLIMATE

Haiti has long been open to foreign investment, and this attitude is codified in its laws. The current government reaffirmed its commitment to attracting foreign investment in the economic policy document which was presented at the consultative donor group meeting in Paris in January 1995. Moreover, the government is committed to modernizing its investment, commercial, banking, and tax codes.

The Haitian banking system is open to the entry and operation of foreign banks. At present, there are three foreign banks operating in Haiti.

There are no free trade zones and no free-trade warehouses in Haiti, although the assembly industry receives the benefits normally present in free trade zones.

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Fax: (509) 23-5515

JAMAICA

THE COUNTRY

Population: 2.47 million

Population Growth Rate: 1 percent

Religions: Christian: Anglican, Baptist and other Protestant, Roman Catholic

Government system: Parliamentary democracy modeled after the Westminster system with two houses-one elected by universal suffrage and the other an appointed body. Independent from the United Kingdom since 1962, Jamaica remains a member of the British Commonwealth.

Language: English.

Workweek: Monday through Friday. Most commercial businesses are open on Saturday.

BEST EXPORT PROSPECTS

Automobiles and light trucks/vans, paper and paperboard, food processing and packaging equipment, telecommunication equipment, pharmaceuticals, electrical power systems and machinery, agricultural equipment and machinery, and automotive parts and service equipment.

For agricultural products: Pineapple juice concentrate, wheat, wine, carrots, and potatoes.

MARKETING U.S. PRODUCTS

U.S. exports to Jamaica are marketed locally through major importers, wholesalers, distributors, and sales agents. In addition, a large share of materials and supplies including machinery and equipment is imported directly by end-user firms. Establishing local representation in the form of a distributor increases a U.S. firm's success in the Jamaican market. Franchising ventures have been moderately successful in certain service-oriented sectors such as hotels and fast food. Advertising is primarily done through radio, television, the press, and billboards.

TRADE BARRIERS

The principal barrier for exporting to Jamaica is the occasional foreign exchange shortage. There are about 97 items that now require an import license (milk powder, refined sugar, plants and parts of plants for perfume or pharmaceutical purposes, gum-resins, vegetable saps and extracts, motor vehicle and parts, arms and ammunition, certain toys such as water pistols, etc.) If an item requires a license, it must be obtained from the Trade Board. Jamaica follows the CARICOM Common External Tariff provisions, which currently ranges between zero and 30 percent, and is scheduled to be reduced to a maximum 20 percent by 1998. Items sold in Jamaica must conform to international quality specifications and meet the requirements of the Bureau of Standards Act, the Processed Food Act, and the Weights and Measures Act. There is a negative list of goods which cannot be imported into Jamaica. (For a copy contact the Commercial Service, American Embassy Kingston.)

The Jamaican Constitution recognizes property rights, including intellectual property rights. Jamaica is a member of the World Trade Organization and the Berne Convention, among other multilateral conventions. Its relatively strong legal system provides remedies against intellectual property (IP) infringement in keeping with its adherence to common law principles. Registration and use of local counsel is recommended to maximize and ensure IP protection.

THE ECONOMY

The Jamaican economy grew by 1.5 percent in 1995 following a modest growth of 0.8 percent in 1994. This increase resulted from growth in the agricultural sector, mining, tourism, financing, and insurance and other service sectors. While agricultural exports and tourism are expected to remain sound, growth prospects are likely to be constrained by an uncertain international market for aluminum, and the impact of the government's restricted fiscal and monetary policies.

Key Economic Indicators	1994	1995*
GDP**	3,899.0	4,714.4
GDP Growth Rate	0.8%	1.5%
GDP per capita	1,560.0	1,862.5
Inflation	27.0%	30.0%
Exports** (2)	1,220.0	1,435.0
Imports** (2)	2,177.0	2,570.0
Imports from the U.S.**	1,066.0	1,300.0

*1994 figures are estimates.

**In U.S. millions.

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

Bilateral relations between Jamaica and the United States are good. There are no major political issues affecting the business climate. Both major political parties are in favor of attracting foreign investment. Jamaica is a member of the British Commonwealth and follows the Westminster parliamentary model. The head of state is the governor general, the representative of the Queen. The Prime minister, leader of the majority in the elected House of Parliament, is the head of government. The next election is due by March 1998.

INVESTMENT CLIMATE

The government of Jamaica welcomes foreign investment and there are no policies or regulations reserving areas exclusively to Jamaicans. There are no investment barriers, except certain areas of telecommunications.

Under the Jamaican Free Zones Act, investors are allowed to operate solely with foreign exchange in certain activities such as warehousing and storing, manufacturing, redistribution, processing, refining, assembling, packaging, and service operations such as insurance, banking, and professional services. Incentives offered include a 100 percent tax holiday in perpetuity, no import licensing requirements, and exemption from customs duties on capital goods, raw materials, construction materials, and office equipment.

CONTACT

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Kingston 5, Jamaica
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MONTERRAT

THE COUNTRY

Population: 10,581

Population Growth Rate: -0.9%

Religions: Mostly Anglican and other Protestant religions.

Government system: A British crown colony, Montserrat is governed by a Crown-appointed governor who maintains responsibility for defense, offshore finance, external affairs, internal security, public services and the judicial system. The Executive Council consists of the governor and several ministers. The Legislative Council has seven elected and four other members. The legal system is based on English common law. While not independent from the United Kingdom, Montserrat is a full member of CARICOM. Its judicial system is administered by the East Caribbean Supreme Court, which also administers the judicial system of other Eastern Caribbean States.

Language: English.

Work week: Government and private sector: Monday through Friday 8:00 a.m. to 4:00 p.m.

BEST EXPORT PROSPECTS

Wood products for furniture and construction; automobile parts, particularly pneumatic tires for sale and recapping; naval stores, electrical power systems and electrical machinery; plastics; small consumer goods; electrical parts and accessories, including terminals, splices and couplings; electrical and plastics manufacturing equipment; construction equipment and related materials; and wine, beer and carbonated beverages.

For agricultural products: poultry, red meats, and food preparation materials.

MARKETING U.S. PRODUCTS

This small dependent territory is not generally suited to any large-scale direct marketing efforts. Some franchising possibilities, particularly in food service, exist. Most U.S. firms will use an agent or distributor located in Montserrat or with offices or direct sales outlets on the island. Most advertising is done in a local newspaper and on local radio and television.

TRADE BARRIERS

The tariff schedule used by Montserrat will ultimately generally reflect the Common External Tariff (CET) provisions of CARICOM, but this island territory has been granted special phase-in consideration by CARICOM. The phase-in will delay full implementation of CARICOM CET tariffs. Exporters should consult with local counsel and freight forwarders on specific duties for their products. Montserrat's government revenues depend significantly on indirect tax collection through imports. Montserrat encourages local agricultural production and import substitution through substantial customs duties.

Montserrat's crown colony status places it within the United Kingdom's sphere of multilateral intellectual property rights agreements. Therefore, principles of the World Trade Organization and all major conventions should be adhered to within Montserrat. Nevertheless, local practice should be reviewed to ensure adequate local enforcement and protection against intellectual property infringement.

THE ECONOMY

Montserrat's economy is being driven in great part by significant public sector investments supported by private sector projects. Of particular note are actual or planned construction or rehabilitation of government offices, hospitals, schools and the airport. Montserrat's small but expanding manufacturing sector concentrates on assembly and export of electronic parts and plastic furniture. Tourism efforts are targeted to small, ecologically sensitive programs, with a view to capture niches in the specialty tourism market. New rice milling and mineral water bottling plants are designed to build export sales and create new jobs. Volcanic activity on the island in 1995 has slowed but not stopped plans designed to produce positive economic growth with improved government fiscal performance and new private sector investment.

Key Economic Indicators	1993	1994*
GDP**	48	47%
GDP Growth Rate	2%	.34%
GDP Per Capita	4,800	4,750
Inflation	2.6%	2.8%
Unemployment	10%	10%
Exports** (2)	2.2	2.4
Imports** (2)	35.6	32.8
Imports from the U.S. (1)**	6.7	5.3

**1994 figures are estimates.*

***In U.S. millions.*

POLITICAL ENVIRONMENT

The last general election was held in 1991, and seats were won by four different parties. The next election is due to be held in 1996. There does not appear to be any movement which would upset currently sound economic and political relationships with the United States, one of its principal trading partners.

INVESTMENT CLIMATE

Montserrat is taking continuous steps to encourage private investment. While there are no free trade zones, there are several factory structures suitable for light manufacturing. Moreover, the Fiscal Incentives Ordinance provides for five types of enterprises qualifying for tax and other incentives, the magnitude of which depend on the size of the investment, the destination of products made, and the size and nature of the value-added in Montserrat. Generous tax rebates are available for businesses engaged in exporting to other than the Eastern Caribbean States of St. Vincent and the Grenadines, Antigua and Barbuda, St. Kitts and Nevis, Grenada, St. Lucia, and Dominica. The government does reserve the right to monitor, at regularly scheduled intervals, grants made to manufacturing enterprises based on performance.

Montserrat is currently considering further legislation and incentives to attract more financial service enterprises. The government grants tax holidays in the hotel industry and exemptions from customs duties can be accorded on equipment used in construction and operation of selected industries.

CONTACT

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The area code for contact point changes to (246) on July 1, 1996.

SAINT KITTS AND NEVIS

THE COUNTRY

Population: 42,000

Population Growth Rate: 0.6 percent

Religions: Mostly Anglican, with small proportions of other Protestant groups and Roman Catholics.

Government system: St. Kitts and Nevis, also formerly known as St. Christopher-Nevis, is a constitutional democracy, officially headed by the sovereign of the United Kingdom, who is represented there by the governor general. The prime minister, elected by the major party in the House of Parliament (composed of 14 members), leads the cabinet. Parliament proposes and passes all laws for the two-island nation. The constitution allows for Nevis to have its own legislature, premier, deputy governor general, and cabinet members, as well as a guaranteed central government representation. St. Kitts and Nevis became independent in 1983.

Language: English.

Workweek: Monday through Friday 8:00 a.m. to 4:30 p.m. generally for both commercial and government operations.

BEST EXPORT PROSPECTS

Hotel and restaurant equipment, seaport and airport construction materials and fixed equipment, paper and paperboard, wood products for construction and furniture, ceramic products for industry, articles of apparel and clothing accessories, iron and other metals for construction and for use in manufacturing and assembly, electrical power systems, electrical machinery and equipment, automobiles and parts, electrical testing machinery and apparatus, electromechanical relays and other electrical components, data processing equipment, plastics, consumer goods, finished furniture, prefabricated buildings, potable water treatment, and drilling equipment.

For agricultural products: chicken parts, red meats, cereals, food preparation materials, essential oils, and resinoids.

MARKETING U.S. PRODUCTS

Imports will be performed through wholesalers as well as direct retailers. It is customary to have countrywide distribution rights. There are no protective laws governing or altering rights as negotiated between the parties to a distribution or retailing agreement. Direct marketing by U.S. exporters is most uncommon in St. Kitts and Nevis.

Most businesses advertise in newspapers as well as on radio and local television.

TRADE BARRIERS

St. Kitts and Nevis is a member of CARICOM and has agreed to implement the Common External Tariff schedules before the end of 1996. There are no known barriers to trade although the government has taken active steps to encourage the growth locally of some otherwise imported essential food crops.

A signatory to both the Paris and Berne Conventions but not yet a member of the World Trade Organization, St. Kitts and Nevis has a legal system which will recognize and provide enforcement for many forms of intellectual property rights. Existing law and registration requirements, however, should be reviewed upon entry into the market to ensure adequate protection of particular intellectual property.

THE ECONOMY

The effects of hurricane damage in late 1995 have lent some uncertainty to predicted growth in 1995. In 1994 the gross domestic product did grow 3.2 percent even with a significant decline in the sugar industry, historically a significant factor in the economy of St. Kitts and Nevis. St. Kitts and Nevis has taken steps to diversify the local economy and now boasts the largest electronics assembly industry among the Eastern Caribbean states. There is also a successful apparel assembly industry. The government intends to carry these light manufacturing examples into attracting the informatics industry to perform data processing and other operations from and in St. Kitts and Nevis.

Major infrastructure developments in water production, improvements in seaport and airport facilities, and in selected tourism projects should yield positive growth to the economy and boost construction significantly, more than offsetting an expected continuing decline in the sugar industry.

Key Economic Indicators	1993	1994*
GDP**	157	162
GDP Growth Rate	4.5%	3.2%
GDP Per Capita	4,703	4,983
Inflation	2%	2%
Unemployment	15%	15%
Exports** (2)	32	35
Imports** (2)	97	112.4
Imports from the U.S.(1)**	45.1	48

**1994 figures are estimates.*

***In U.S. millions.*

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

St. Kitts and Nevis maintains good relations with the United States. A new government was elected in 1995 (and can thus serve until 2000), and has committed itself to continued development of the tourist industry and small manufacturing businesses, both of which depend in large part on investments from and trade with the United States.

In 1990 the premier of Nevis called for an end to the federation with St. Kitts by the end of 1992, but local elections in that year removed the threat of secession for the moment. The next national election is due by 1997.

INVESTMENT CLIMATE

Foreign direct investment in St. Kitts is encouraged, with a particular emphasis on hotel tourism, small rental-residence villas, and light manufacturing facilities. Companies qualifying for tax holidays are allowed to import duty free into St. Kitts and Nevis (on an ongoing basis, to establish or upgrade an enterprise) all equipment, machinery, spares and raw materials used directly or indirectly to assist in production. There are three fully developed industrial parks and facilities. Ecologically and environmentally sound investments are a stated priority of the government. Qualifying investors may obtain up to a 15-year tax holiday with an additional five years of rebates along with full capital repatriation rights.

CONTACT

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The area code for contact point changes to (246) on July 1, 1996.

SAINT LUCIA

THE COUNTRY

Population: 142,000

Population Growth Rate: 1.9 percent

Religion: Christian: Roman Catholic (90 percent), Protestant Groups (10 percent)

Government system: Constitutional monarchy with parliamentary democracy.

Languages: English and patois.

Workweek: Business: Monday through Friday 8:00 a.m. to 4:00 p.m.

Government: Monday through Friday 8:30 a.m. to 4:30 p.m.

BEST EXPORT PROSPECTS

Paper and paperboard, apparel of all forms, construction materials machinery and equipment, preparation process products and materials for fruits and vegetables, food processing materials machinery and equipment, pharmaceutical, wood products, automobiles and parts, plastics and consumer goods, specialty chemical products, manufacturing machinery and equipment, hotel and restaurant equipment, telecommunications equipment.

For agricultural products: red meats, chicken, and grains.

MARKETING U.S. PRODUCTS

Distribution is generally done through established wholesalers. The terms of contracts providing for distribution can be freely negotiated with companies established in St. Lucia.

There are recognized growth opportunities in franchising and licensing. Direct retailing by U.S. or other foreign-based companies is unusual, except in long-established enterprises.

Advertising can be obtained through radio, television, and the weekly print media.

TRADE BARRIERS

St. Lucia's membership in CARICOM has led to more standardization of customs and duty rates, with likelihood of further reductions. St. Lucia is committed to implementation of the second phase (reductions in tariffs on non-agricultural products to a maximum of 35 percent) of the Common External Tariff system by September 1995. St. Lucia's labeling and standards requirements for imported products are in accordance with internationally accepted regimes. The customs valuation process is transparent.

St. Lucia is a member of the World Trade Organization and is a signatory to the Berne and Paris Conventions. Its statutory law does provide for protection of many forms of intellectual property rights. The level of sophistication involved in current IPR would warrant advice of local counsel to ensure proper registration and other safeguards on use and disclosure of intellectual property within St. Lucia.

THE ECONOMY

The economy of St. Lucia, despite significant storm damage to portions of the important agricultural sector in the latter part of the year, attained 2.2 percent growth in 1994. Growth was spurred by increases in tourism and electronic assembly operations. Moreover, a significant number of projects financed by multilateral institutions have given a significant boost to infrastructural construction and corresponding employment.

The government is also committed to several significant public sector (particularly port facilities and data entry parks) projects, which should continue to buoy the local economy so long as projected increases in revenues from tourism and port facilities hold true. Despite pressures from higher imported food prices and costs of locally grown products, as well as public sector expenditures, inflation was kept to a relatively low level of 2.6 percent in 1994.

Key Economic Indicators	1993	1994*
GDP**	480	431
GDP Growth Rate	2.9%	-2.2%
GDP Per Capita	3,554	3,018
Inflation	.8%	2.6%
Unemployment	16%	16%
Exports** (2)	118	94
Imports** (2)	120	95
Imports from the U.S.(1)**	98.63	80.57

**1994 figures are estimates.*

***In U.S. millions.*

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

St. Lucia maintains cordial relationships with the United States.

The next national election is due by 1997, and two parties currently hold seats in the House of Assembly. St. Lucia is a constitutional monarchy, with executive power vested in the British sovereign as head of state. All legislative power, however, is exercised by Parliament in St. Lucia. The legal system is based on a combination of the English common law and European (Napoleon) Code principles.

INVESTMENT CLIMATE

St. Lucia is actively seeking to shift from dependency on banana crops, and in so doing has extended significant tax and relative incentives to manufacturing and tourism operations making investments within the country. There are two free trade zones as well as five industrial zones. The aforementioned data entry parks are designed to encourage data processing, information service and related operations with corresponding increase in employment on the island country.

Government grants of duty-free importation of all raw materials, equipment, and machinery for manufacturing and assembly operations are designed to stimulate productive employment, alleviate balance-of-payments deficits, and provide a broader and more diversified base for investment within the entire economy.

CONTACT

Trade and Economic Section
Ministry of Foreign Affairs
P.O. Box 34055
St. John's, Barbados
(246) 436-4950
(246) 429-5246

Changes to (246) on July 1, 1996

SAINT VINCENT AND THE GRENADINES

THE COUNTRY

Population: 107,400

Population Growth Rate: 1.4 percent

Religions: Anglican, Methodist, and Roman Catholic.

Government system: The government of St. Vincent and the Grenadines is a constitutional multiparty parliamentary democracy and a member of the British Commonwealth. A governor general represents the sovereign. A prime minister, elected by a fifteen member unicameral legislature, holds executive power.

Language: English.

Workweek: Monday through Friday 8:00 a.m. to 4:00 p.m.

BEST EXPORT PROSPECTS

Electrical power systems and machinery; plastics; wood products for furniture and construction; electrical parts and components; automobiles and parts; apparel and clothing accessories; construction materials, including plaster and cement; agro-industry equipment, hotel and restaurant equipment, port and airport facility equipment, ships, and boats.

For agricultural products: chicken, red meats, cereals, food preparation materials, and beverages of all forms.

MARKETING U.S. PRODUCTS

The St. Vincent market is generally reached through distributors or wholesalers located in neighboring islands or St. Vincent itself. New air and port facilities should lend themselves to more direct purchasing by Vincentians. Very little direct marketing is done by U.S. exporters. It is common to find that parties buying wholesale also maintain retail services and sales.

Radio and print media advertising are common methods of merchandising in St. Vincent and the Grenadines.

TRADE BARRIERS

There are no significant barriers to the import of U.S. goods, although duties apply to most imports and are based on the CARICOM Common External Tariff schedules which St. Vincent agreed to implement as of September 30, 1995. St. Vincent and the Grenadines offers special programs to support locally grown agricultural products which tend to dampen external competition.

St. Vincent and the Grenadines generally follows internationally accepted standards and requirements, and does not have any onerous labeling regulations for products entering the country.

As a very recent signatory to both the Paris and Berne Conventions and a member of the World Trade Organization (WTO), St. Vincent and Grenadines has signaled its intention to adhere to commitments to intellectual property rights (IPR) protection and enforcement under these multilateral agreements. Its common law foundation should provide a good base for both protection and enforcement of IPR. However, counsel should be sought for current status of law and practice and remedies under the law.

THE ECONOMY

Agriculture remains the backbone of St. Vincent's economy, with bananas alone representing over 40 percent of all agricultural exports. However, revenues from bananas have declined precipitously over the last three years. Drought conditions contributed substantially to the drop in earnings from agriculture. The planned transition and diversification to cash crops addressing specialty markets promises higher returns in the near future. Tourism, a steady revenue earner contributing between 12 to 15 percent of the gross domestic product over the last several years, has remained steady. The efforts of the government are directed mainly to building infrastructure for tourism, and diversifying the agricultural base by finding niches in world agriculture markets, serving them by weekly air freight services to markets in North America and the United Kingdom.

Planned improvements in airport facilities will provide increased access to the Grenadines (all islands other than St. Vincent). Major hotels and a marina are planned for completion on Union Island within the Grenadines by 1996, and major infrastructural improvements to facilities at St. Vincent's international airport will accommodate large aircraft and direct long-distance, international flights. A similar project to improve cruise ship and ferry port facilities in the capital city of Kingstown is under way, with completion scheduled for 1996.

Key Economic Indicators	1993	1994*
GDP**	242.2	256.6
GDP Growth Rate	1.4%	1.4%
GDP Per Capita	2,264	2,389
Inflation	4.2%	.7%
Unemployment	19%	19%
Exports** (2)	64.7	69.7
Imports** (2)	113.9	120.4
Imports from the U.S. (1)**	38.16	42.2

*1994 figures are estimates.

**In U.S. millions.

(1) U.S. Trade data include free-zone operations.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

St. Vincent and the Grenadines have traditionally maintained good relationships with its major trading partners, one of whom is the United States. There is no serious political movement in St. Vincent that would appear to threaten continuing sound relations. Any controversies that do occur center around preferential arrangements made with other markets on agricultural products, particularly bananas. These do not appear, however, to affect other political-economic relationships. St. Vincent and the Grenadines achieved full independence from the United Kingdom in 1979. There are two major active parties. The next national election is due in 1999. The party currently in power holds a large majority in the legislature and was reelected in 1994.

INVESTMENT CLIMATE

The government welcomes foreign investment, and provides special incentives tailored to the needs of the local investor. Of particular note are fiscal incentives which vary depending on the percentage of value-added in St. Vincent and the Grenadines, the size of the capital investment, and whether the activity promotes exports outside CARICOM. New efforts are being made to promote diversification of the agro-based economy and infrastructure projects to support current and projected levels of tourism. The government has also taken steps to encourage the formation of off-shore financial services corporations.

CONTACT

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The area code for contact point changes to (246) on July 1, 1996.

SURINAME

THE COUNTRY

Population: 408,000

Population Growth Rate: 0.1 percent

Religions: Christian: Roman Catholic, Moravian, Lutheran, and Protestant evangelical groups. There is a substantial Hindu population, a large Moslem community, and a small Jewish community. Tribal customs and rites are also practiced, mostly in the interior.

Government system: Suriname is an independent, multiparty democracy, with an elected president, a National Assembly, a council of ministers and a nonelected state council.

Language: Dutch, but English is widely spoken.

Workweek: Monday through Friday 8:00 a.m. to 4:30 p.m. and Saturday morning.

BEST EXPORT PROSPECTS

Machine and auto parts, automobiles, light trucks (new and used), four-wheel drive utility vehicles, pick-ups, tractors, agricultural and construction machinery, fishing boats and supplies, refrigerators, freezers, heat pumps, canned and processed food, mixes, frozen foods, medicines, health care products, computers, data processing equipment, clothing, and sporting goods.

MARKETING U.S. PRODUCTS

Goods intended for sale to the general public are normally purchased by local wholesalers for further distribution. The usual business practice is for wholesalers to make purchases directly in the United States. Surinamese retailers are also actively involved in direct purchase arrangements. Companies seeking to establish a representative office in Suriname must first obtain a business license or enter into a joint venture with a locally established firm. Advertising can be purchased on local radio and television stations.

TRADE BARRIERS

Although the government continues to liberalize and streamline the process, licensing requirements can hinder trade flows. The system does not usually prevent exports from the United States, but can cause delays. Import licenses are required for all imports. Import tariffs range from zero to 100 percent. According to Ministry of Trade and Industry officials, average import duties are between 30 and 40 percent. The government is drafting new tariff regime legislation which calls for a three-tiered structure. The new, more liberal and transparent tariff structure proposal should facilitate exports to Suriname.

Suriname is a member of the World Trade Organization (WTO) and is a signatory to both the Berne and Paris Conventions. It has permission to phase-in full standards of intellectual property protection as provided under the WTO. Its continuing efforts to improve legal infrastructure warrant seeking local counsel prior to any extensive use or disclosure of intellectual property.

THE ECONOMY

The government introduced a unified exchange rate in mid-1994 and has introduced and implemented important parts of a structural adjustment plan. The result has been a marked improvement in several indicators in the economy. One of the signs that the economy is recovering has been an increase in foreign investments and foreign investor interest. This has been primarily in natural resource-based industries.

Key Economic Indicators	1993	1994*
GDP**	407	395
GDP Growth Rate	-4.8%	-2.2%
GDP per capita	910	868
Inflation	144%	369%
Unemployment	35%	35%
Export** (2)	298	324
Imports** (2)	214	201
Imports from the U.S.**	117.9	121.76

*1994 figures are estimates.

**In U.S. millions.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

The United States has a close and cooperative bilateral relationship with Suriname. The government is publicly committed to restructuring the economy to achieve economic growth and welcomes foreign investment. Suriname is a democracy governed by a president, who is assisted by cabinet ministers, a national assembly, and an independent court system. The current ruling New Front coalition contains most of the pro-business parties in Suriname. Elections were held September 6, 1991, and the next national elections are due by May 1996. Decision-making is based on achieving consensus within Suriname's multi-ethnic society.

INVESTMENT CLIMATE

Ministers and other government officials repeatedly voice their support both publicly and privately for liberalization and economic reform. There is a growing tendency to choose direct subsidies and macroeconomic policy over government intervention and price controls in most areas of the economy. The government has begun implementing measures to remove administrative barriers and obstacles. Currently, however, ministries deal with investors on an "ad hoc" basis. Major investors negotiate extensive joint venture and concession contracts with the government which are subject to later review and approval by the National Assembly. While the availability of foreign exchange might limit capital outflow, there is no restrictive government policy in this investment consideration. There are presently no free trade zones in Suriname.

CONTACT

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TRINIDAD & TOBAGO

THE COUNTRY

Population: 1.26 million

Population Growth Rate: 0.86 percent

Religions: Christian 70 percent (Roman Catholic, Anglican, and Evangelical), Hindu 24 percent, Muslim 6 percent.

Government system: Parliamentary democracy. A republic within the British Commonwealth. A president serves as head of state, and is elected by an electoral college consisting of both houses of Parliament. Executive power is held by the prime minister and the cabinet. The House of Representative is elected by universal suffrage, the Senate by appointment through the president.

Language: English.

Workweek: Monday through Friday 8:00 a.m. to 4:00 p.m.

BEST EXPORT PROSPECTS

Oil and gas extraction and processing equipment, and services; architecture, construction and engineering services; construction equipment; chemical production machinery; water resources equipment; electrical power systems and equipment; agricultural machinery and equipment; agricultural chemicals; pollution control equipment; security and safety equipment; drugs and pharmaceuticals; processed foods; hotel and restaurant equipment; computers and peripherals; automotive parts and accessories; and air conditioners and refrigeration equipment.

For agricultural products: Soybeans, wheat, corn, rice, wood, and hatchling chicks and hatchling eggs.

MARKETING U.S. PRODUCTS

Trinidad and Tobago has no specific legislation regulating representatives, distributors, or franchisers. Agreements for the appointment of agents are governed by common law principles under which the parties are virtually free to form their own contractual terms. There are no statutory restrictions or regulations governing the length of appointment, the period of notice required for termination, or the level of commission to which an agent is entitled. Businesses in Trinidad and Tobago use newspapers, radio, and television to advertise their products. International franchises operating in Trinidad and Tobago include Kentucky Fried Chicken, Benetton Clothing Stores, Pizza Hut, and McDonald's. U.S. products enjoy high brand-name recognition among Trinidadian companies, which tend to look first to the United States for suppliers.

TRADE BARRIERS

There are no significant trade barriers other than import duties. Import licenses are required for the following "Negative List" items: Poultry parts, live poultry, pork offals, crustaceans and fish, sugar, coconut products, oil seed, left-hand drive vehicles, tobacco paper, small ships and boats, and certain pesticides. Contact the U.S. embassy noted below for any update to this list. Standards, labeling, testing and certification, to the extent that they are required, do not usually hinder U.S. exports.

Trinidad and Tobago is a member of the World Trade Organization and is a signatory to major conventions on intellectual property rights. Its constitution and common law tradition support adequate recognition and enforcement of IPR. Nevertheless, as IPR issues evolve, violations do occur. Registration and safeguarding of intellectual property rights (IPR) is recommended.

THE ECONOMY

The two-island nation of Trinidad and Tobago is successfully recovering from over a decade of economic problems. Reforms, supplemented by tight monetary policy and fiscal responsibility, have accelerated since 1992, and most economic indicators show marked improvement.

Key Economic Indicators	1994	1995*
GDP**	5,358	5,480
GDP Growth Rate	3.5%	3.0%
GDP per capita	4,147	3,380
Inflation	10.7%	8.8%
Unemployment	16.5%	15.0%
Exports** (2)	1,800	2,150
Imports ** (2)	1,100	1,200
Imports from the U.S. **	798.2	900

*1994 figures are estimates.

**In U.S. millions.

(2) Economic statistics for each of the Caribbean entities indicate that only merchandise imports and exports are fully accounted for, and service imports as well as imports reexported after transformation may be underestimated.

POLITICAL ENVIRONMENT

The United States enjoys excellent relations with the Republic of Trinidad and Tobago. Trinidad and Tobago has a democratic, mostly parliamentary form of government based on the Westminster model. Elections were recently held, and the next are not constitutionally due until 2001.

INVESTMENT CLIMATE

Foreign direct investment is actively encouraged by the government of Trinidad and Tobago in all sectors. Generally speaking, there are no de facto restrictions on investment. Foreign ownership of service companies is both permitted and welcome. Foreign investment is screened only for eligibility for government incentives and assessment of its environmental impact. The designation and administration of free-trade zones in Trinidad and Tobago were authorized by law in 1988.

CONTACT

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